

Message Text

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ACTION IO-13

INFO OCT-01 ISO-00 FEA-01 ACDA-10 CIAE-00 INR-07 L-03
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FM USMISSION IAEA VIENNA
TO SECSTATE WASHDC PRIORITY 8720
INFO USERDA HQ WASHDC
USERDA GERMANTOWN

UNCLAS SECTION 1 OF 2 IAEA VIENNA 1647

DEPT PASS IO/SCT AND NRC

EO 11652: N/A

TAGS: OCON, IAEA, EAID, AORG

SUBJ: IAEA BG MEETING-TECHNICAL ASSISTANCE

REF: (A) IAEA VIENNA 1437

1. SUMMARY. THE IAEA BOARD OF GOVERNORS (BG), AFTER DISPOSING OF SOME PRELIMINARY MATTERS SEPARATELY REPORTED TURNED TO THE REPORT OF THE TECHNICAL ASSISTANCE COMMITTEE (TAC) AND ENTERED INTO A SIX HOUR DEBATE CONCERNING PRIMARILY THE QUESTION OF SAFEGUARDS IN CONNECTION WITH TECHNICAL ASSISTANCE (TA). IN THE END THE MATTER WAS REFERRED TO THE CHAIRMAN FOR FURTHER CONSULTATIONS AND THE TAC REPORT WAS NOTED IN THE USUAL MANNER AS REPORTED REF A. END SUMMARY.

2. DISCUSSION OF THE TAC REPORT WAS OPENED WITH THE DG'S STATEMENT OF THE BACKGROUND FOR GOV/INF 316, WHICH CONTAINS THE SECRETARIAT'S PHILOSOPHY REGARDING THE APPLICATION OF SAFEGUARDS IN CONNECTION WITH TA. THE DG EXPLAINED THAT THE SECRETARIAT HAS THE RESPONSIBILITY UNDER THE STATUTE TO INSURE THAT TA IS NOT USED IN FURTHERANCE OF ANY
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MILITARY PURPOSE. IN THE LAST FEW YEARS THE SECRETARIAT HAS BECOME AWARE OF A GROWING NUMBER OF TA REQUESTS IN SENSITIVE AREAS IN THE 1977 TA PROGRAM THERE ARE FIVE REQUESTS INVOLVING TECHNOLOGY TRANSFER WHICH WOULD TRIGGER SAFEGUARDS (ONE FROM EGYPT IN GOV/1812/ADD 1 AND 4 FELLOW-SHIP REQUESTS FROM INDIA, PAKISTAN, ARGENTINA AND POSSIBLY EGYPT). IN THE FUTURE, HE SAID, A GROWING NUMBER OF SUCH

REQUESTS IS EXPECTED. IN VIEW OF THIS SITUATION, THE SECRETARIAT WROTE GOV/INF/EQY AS AN OUTLINE OF THE PROBLEM AND TO SET FORTH PROPOSED GUIDELINES FOR APPLICATION OF SAFEGUARDS IN CONNECTION WITH TECHNICAL ASSISTANCE. THE DG STRESSED THAT THE QUESTION OF SAFEGUARDS IN CONNECTION WITH T.A. CONCERNS ONLY REQUESTS FROM NON-NPT STATES. IN THE PAST MOST SAFEGUARDS AGREEMENTS IN RELATION TO TA HAVE GROWN OUT OF SUPPLIER-RECIPIENT NEGOTIATIONS AND HAVE BEEN APPROVED ON REQUEST BY THE BG. IN CLOSING, THE DG STRESSED THE RESPONSIBILITY OF THE BG, NOT THE SECRETARIAT, TO ESTABLISH THE IAEA POLICY WITH RESPECT TO APPLICATION OF SAFEGUARDS TO TECHNICAL ASSISTANCE.

3. AMB. MEHTA OF INDIA WAS THE FIRST GOVERNOR TO SPEAK AND HE MADE A LONG, CAUSTIC CRITICISM OF THE SECRETARIAT AND ITS HANDLING OF GOV/INF 316 IN ADDITION TO GENERAL COMMENTS ON OTHER ASPECTS OF THE TAC REPORT. IN REGARD TO THE SAFEGUARDS ISSUE, AMB. MEHTA STRESSED THE PREROGATIVE OF THE BT TO SET IAEA POLICY AND THAT THE BG SHOULD NOT ACCEPT THE PRINCIPLES IN GOV/INF/EQY WITHOUT CAREFUL STUDY. INDIA WAS JOINED IN ITS PLEA FOR FURTHER STUDY BY ARGENTINA, EGYPT AND PAKISTAN.

4. THE PAKISTANI GOVERNOR RECOGNIZING THE IAEA OBLIGATION TO PREVENT MILITARY USES OF TA, PROPOSED THAT "A COMMITTEE OR GROUP" BE ESTABLISHED TO STUDY THE NEED FOR SAFEGUARDS IN CONNECTION WITH TA AND TO REPORT TO THE BG ITS FINDINGS REGARDING (A) TECHNOLOGY UNCLASSIFIED

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WHICH CAN BE APPLIED TO MILITARY USE, (B) TA WHICH CAN BE PUT TO MILITARY USE, AND (C) IDENTIFICATION OF THE LEVEL OF TA NECESSARY TO ATTRACT SAFEGUARDS. REFERRAL OF THE QUESTIONS TO A COMMITTEE WAS SUPPORTED BY CHILE, BRAZIL, NIGERIA, MEXICO, BANGLADESH, COLOMBIA, MALAYSIA, LIBYA, AND YUGOSLAVIA.

5. SEVERAL SPEAKERS SUPPORTED THE DG'S PROPOSAL CONTAINED IN GOV/INF/316. THE U.S. WAS THE FIRST TO ENDORSE GOV/INF/316 EMPHASIZING THAT WHILE THE ISSUE OF SAFEGUARDS IN CONNECTION WITH TA CONCERNED ONLY A SMALL NUMBER OF MEMBERS, IT IS AN ISSUE OF VITAL IMPORTANCE TO THE U.S. THE U.S. RECOGNIZED THE OBLIGATION TO PREVENT USE OF T.A. FOR MILITARY PURPOSES AND ARGUED THAT A SAFEGUARDS AGREEMENT BE IN FORCE PRIOR TO DELIVERY OF T.A. IN SENSITIVE TECHNOLOGIES, WHICH INCLUDE CHEMICAL REPROCESSING, URANIUM ENRICHMENT, PRODUCTION OF HEAVY WATER, AND PLUTONIUM HANDLING BUT MIGHT ALSO INCLUDE OTHER CATEGORIES LISTED PARA 7 GOV/INF 316,

AND OTHER TECHNOLOGIES IN THE FUTURE FOUND TO BE CAPABLE OF MILITARY USE. A FACTOR TO BE CONSIDERED IN EVALUATION OF THE NEED FOR A SAFEGUARDS AGREEMENT PRIOR TO PROVISION OF TA IS THE PROPORTION OF THE REQUESTED TA IN THE PUBLIC DOMAIN IN RELATION TO THE SIGNIFICANCE OF THE TA FOR MILITARY PURPOSES. THE U.S. RECOGNIZED THE DIFFICULTY OF MAKING RULES IN THIS AREA AND PREFERRED THAT GENERAL GUIDELINES COUPLED WITH THE JUDGMENT OF THE SECRETARIAT SHOULD BE FOLLOWED IN EVALUATING TA REQUESTS, PARTICULARLY IN VIEW OF THE SMALL FRACTION OF REQUESTS LIKELY TO BE OF INTEREST FROM THE SAFEGUARDS STANDPOINT. U.S. ALSO ENDORSED REVISION OF THE TA REQUEST FORM TO INCLUDE AN AGREEMENT ON THE PART OF THE REQUESTING STATE TO ACCEPT SAFEGUARDS IN THE SAME MANNER AS THOSE IN SAFEGUARDS AGREEMENTS WITH STATES NOT PARTY TO THE NPT APPROVED BY THE BG SINCE 1975 AND FURTHER TO REFER TO ACCEPTANCE BY REQUESTING STATES OF AGENCY SAFEGUARDS

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IN CERTAIN TECHNOLOGICAL AREAS. THE U.S. CLOSED WITH THE COMMENT THAT THE U.S. AS PRINCIPAL TA DONOR IN THE PAST, MUST BE ASSURED BEYOND DOUBT THAT THE US ORIGIN TA WILL NOT BE USED TO FURTHER ANY MILITARY PURPOSE IN ORDER TO CONTINUE IN THAT ROLE. JAPAN, USSR, CANADA, AND FRG IN THAT ORDER ALSO ENDORSED GOV/INF/316.

6. AT THE BEGINNING OF THE SECOND DAY OF THE BG MEETING AND OF THE FOURTH HOUR OF DISCUSSION OF THE TAC REPORT,

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THE GOVERNOR FROM AUSTRALIA PROPOSED THAT THE MATTER BE TAKEN UP PRIVATELY BY CHAIRMAN CISSE IN CONSULTATIONS WITH INTERESTED MEMBER-STATES RATHER THAN BY A COMMITTEE. THIS PROPOSAL WAS QUICKLY ENDORSED BY FRANCE, THE NETHERLANDS, FRG, SOUTH AFRICA, UK, AND ITALY. VICE CHAIRMAN MEHTA, THE GOVERNOR FROM INDIA, THEN RESPONDED POSITIVELY TO THE CHAIRMAN'S REQUEST FOR HIS ASSISTANCE AND OFFERED IN THE CHAIRMAN'S ABSENCE TO CARRY OUT THE CONSULTATIONS (CISSE IS NOT RESIDENT IN VIENNA.) EGYPT, SPEAKING AFTER INDIA ALSO SUPPORTED CONSULTATIONS.

7. CHAIRMAN CISSE CLOSED THE DISCUSSION WITH HIS STATEMENT OF THE CONSENSUS OF THE BG THAT, (A) THE BG TOOK NOTE OF THE REPORT OF THE TAC (GOV/1812) WITH THE EXCEPTION OF THOSE TA REQUESTS IDENTIFIED BY THE SECRETARIAT AS TRIGGERING SAFEGUARDS, WHICH WOULD BE DEFERRED PENDING OUTCOME OF THE CHAIRMAN'S CONSULTATIONS, (B) THE CHAIRMAN ASSISTED BY THE VICE CHAIRMAN FROM INDIA AND POLAND WOULD CONSULT INTERESTED BG MEMBERS RE APPLICATION OF SAFEGUARDS TO TECHNICAL ASSISTANCE AND UNCLASSIFIED

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REPORT RESULTS AT OR BEFORE THE JUNE BG MEETING. BY TAKING NOTE OF THE TAC REPORT THE BG FOLLOWED THE USUAL PROCEDURE OF AUTHORIZING THE SECRETARIAT TO PROCEED TO FILL THE TA REQUESTS FOR EQUIPMENT AND EXPERTS OUTLINED IN GOV/1812/ADD 1.

8. IN RESPONSE TO THE CHAIRMAN'S QUESTION "DO WE HAVE AGREEMENT" THE GOVERNOR FROM PAKISTAN SPOKE AND ACCEPTED CONSULTATIONS EXPRESSING THE HOPE THAT A MEANINGFUL EXCHANGE OF VIEWS WOULD TAKE PLACE.

9. IN ADDITION OT THE DISCUSSION OF SAFEGUARDS, THE TAC REPORT PRODUCED SEVERAL OTHER COMMENTS. THE MOST FREQUENTLY HEARD THEME WAS THE TIME-HONORED COMPLAINT THAT THERE WERE INSUFFICIENT RESOURCES DEVOTED TO TA. (A REPETITION OF COMMENTS MADE AT THE TAC) INDIA INTRODUCED THE IDEA BY COMMENTING THAT THE TARGET FOR VOLUNTARY CONTRIBUTIONS HAD NOT BEEN MET AND THAT WORTHY PROJECTS WOULD GO UNFULFILLED FOR LACK OF FUNDS. AMB. MEHTA ALSO STATED THAT INDIA

IS NOW IN CONSULTATIONS REGARDING THE PROVISION OF RESOURCES CALLED FOR UNDER ONE OF THE FOOTNOTE "A" PROJECTS (FOOTNOTE "A" PROJECTS ARE THOSE APPROVED BY THE BG FOR IMPLEMENTATION BUT FOR WHICH THERE ARE INSUFFICIENT RESOURCES). OTHER GOVERNORS COMMENTING ON THE LACK OF FUNDS WERE EGYPT, PAKISTAN, INDONESIA, NIGERIA, LIBYA, BANGLADESH AND PANAMA.

10. PAKISTAN INTRODUCED THE THEME THAT INFLATION AND EXCHANGE RATE VARIATIONS HAD REDUCED THE ABSOLUTE VALUE OF THE TA DELIVERED AND WAS SUPPORTED BY BANGLADESH AND PORTUGAL. COUNTRIES ENDORSING THE IDEA THAT TA AND SAFEGUARDS SHOULD BE LINKED IN AMOUNT WERE, IN ORDER OF SPEAKING, EGYPT, PAKISTAN, INDONESIA, MEXICO AND MALAYSIA. THE FRG, AND CANADA OPPOSED LINKAGE OF TA AND SAFEGUARDS. ARGENTINA ADVANCED THE CURIOUS ARGUMENT AGAINST SAFEGUARDS IN CONNECTION WITH TA
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THAT SAFEGUARDS WOULD DRIVE UP THE COSTS OF TA TO RECIPIENT COUNTRIES THEREBY REDUCING THE AMOUNT OF TA DELIVERED.

11. SEVERAL COUNTRIES VOICED CONCERN FOR THE EFFICIENCY OF THE TA PROGRAM THROUGH A MIX OF PROPOSALS AIMED AT ONE OR ANOTHER ASPECT OF THE DELIVERY OF TA.

BANGLADESH AND BELGIUM SUGGESTED THAT SPARE PARTS FUND BE ESTABLISHED TO REPAIR EQUIPMENT PROVIDED AS A PART OF TAAM (THE SECRETARIAT IS EXPLORING THIS IDEA.) BANGLADESH ASKED ALSO THAT A HIGHER PERCENTAGE OF EQUIPMENT BE GRANTED, ON THE THEORY THAT EQUIPMENT STAYS LONGER THAN EXPERT SERVICES. SENEGAL, SECONDED BY BANGLADESH, PROPOSED THAT REGIONAL TRAINING CENTERS BE ESTABLISHED FOR LAB TECHNICIANS-STARTING IN ASIA. FINALLY, BANGLADESH PROPOSED THAT AN EFFORT BE MADE TO DETERMINE THE IMPACT OF TA IN THE LDC'S.

12. THE USSR MADE A BOILERPLATE STATEMENT THAT ONLY NPT PARTIES SHOULD GET TA AND THIS WAS PREDICTABLY OPPOSED BY ARGENTINA WHICH POINTED OUT THAT ART. 3 OF THE STATUTE FORBIDS DISCRIMINATION OR FAVORITISM AMONG MEMBER COUNTRIES. IN ITS STATEMENT THE USSR ALSO OPPOSED TA FOR ISAREAL, THE REPUBLIC OF KOREA AND CHILE AS IS CUSTOMARY, AND AS IS USUAL CHILE MADE A STATEMENT QUESTIONING THE PROPRIETY OF THE RUSSIAN STATEMENT AND DEMANDING TO KNOW WHY THE USSR OPPOSES TA FOR CHILE. THE USSR REPLIED THAT IT WOULD NOT ANSWER OR DISCUSS THE MATTER, BUT THAT THEIR POSITION FOLLOWED UNGA RECOMMENDATIONS

AND CHILE CAME BACK REQUESTING THAT THE AGENCY GENERAL
COUNSEL EXAMINE THE USSR POSITION IN RELATION TO THE
STATUTE AND THAT IF AGENCY'S WORK WAS TO BE TECHNICAL
RATHER THAN POLITICAL, SUCH STATEMENTS BE AVOIDED IN
THE BG.

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13. CANADA ANNOUNCED A \$300,000 IN-KIND CONTRIBUTION
TO BE SPREAD OVER THREE YEARS FOR THE BENEFIT OF NPT
PARTIES. BELGIUM ON THE OTHER HAND LIMITED ITS
VOLUNTARY CONTRIBUTION TO AFRICAN COUNTRIES. THE
LIMITATION IN THE CANADIAN VOLUNTARY CONTRIBUTION
(TO NPT COUNTRIES ONLY) WAS OPPOSED BY ARGENTINA
WHICH AGAIN INVOKED ART. 3 OF THE STATUTE AND ASKED
FOR A BG REVIEW OF THE MATTER OF CONDITIONS ATTACHED
TO VOLUNTARY CONTRIBUTIONS. THE MATTER WAS NOT
PURSUED. STONE

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